

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM57285

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

HOBBS OCD

7. Off Unit or CA/Agreement, Name and/or No.

1. Type of Well
 Oil Well Gas Well Other

JUN 1 3 2018

8. Well Name and No.
ESPEJO FEDERAL COM 3H

2. Name of Operator
XTO ENERGY INC.

Contact: TESSA FITZHUGH
E-Mail: tessa_fitzhugh@xtoenergy.com

RECEIVED

9. API Well No.
30-025-43777

3a. Address
6401 HOLIDAY HILL RD, BLDG 5
MIDLAND, TX 79707

3b. Phone No. (include area code)
Ph: 432-620-4336

10. Field and Pool or Exploratory Area
LEA, BONE SPRING

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 23 T29S R34E Mer NMP SWSE

11. County or Parish, State
LEA COUNTY, NM

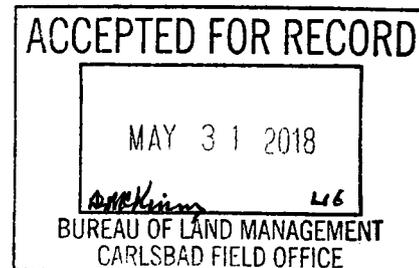
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Per Onshore Order #7 & 43 CFR 3162.5-1(b), XTO Energy, Inc requests the following for salt water disposal storage, transport and disposal:

- Name of formation producing water on lease: 3rd Bone Spring Sand
- Amount of water produced from each formation in bbls per day: 125 bbls
- How water is stored on the lease: Above ground steel tanks
- How water is moved to disposal facility: Hauled by MNS Services Transport.
- Operator's of Disposal Facility: DKD, LLC
 - Lease Name/Well Number: Watson 6 #1 (API#: 30-025-34197)
 - Location by 1/4 1/4 Section, Township, and Range of disposal system: N-6-16S-36E
 - Appropriate NMOCD Permit Number: SWD-834 (Permit attached)



14. I hereby certify that the foregoing is true and correct.

Electronic Submission #421926 verified by the BLM Well Information System
For XTO ENERGY INC., sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 05/31/2018 ()

Name (Printed/Typed) TESSA FITZHUGH

Title REG. ANALYST

Signature (Electronic Submission)

Date 05/30/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Accepted for Record Only

MKB/OCD 6/14/2018



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER SWD-834

APPLICATION OF DKD, LLC FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), DKD, LLC made application to the New Mexico Oil Conservation Division on March 27, 2002, for permission to re-enter for produced water disposal its Watson 6 Well No. 1 (API No. 30-025-34197) located 2857 feet from the South line and 1417 feet from the West line (Unit N) of Section 6, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

DKD LLC is hereby authorized to re-enter its Watson 6 Well No. 1 (API No. 30-025-34197) located 2857 feet from the South line and 1417 feet from the West line (Unit N) of Section 6, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of produced water for disposal purposes into the Cisco and Canyon (Pennsylvanian) formations from a depth of 10340 feet to 11062 feet through 2 7/8 inch plastic-lined tubing set in a packer located approximately at 10280 feet.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

The casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 2068 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs District Office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs District Office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

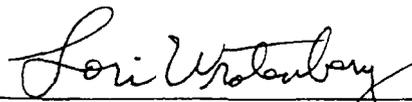
PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Administrative Order SWD-834
DKD, LLC
April 26, 2002
Page 3

Approved at Santa Fe, New Mexico, on this 26th day of April 2002.



LORI WROTENBERY, Director

LW/WVJ

cc: Oil Conservation Division – Hobbs

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87504

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87504

Form C-104A
August 11, 2000

Submit 1 copy of the final affected wells
list along with 2 copies of this form per
number of wells on that list to
appropriate District Office

Change of Operator

Previous Operator Information:

OGRID: 147179
Name: Chesapeake Operating, Inc.
Address: P. O. Box 18496
Address: _____
City, State, Zip: Oklahoma City, OK 73154-0496

New Operator Information:

Effective Date: 02/01/02
New Ogrid: 210094
New Name: DKD, L.L.C.
Address: P. O. Box 682
Address: _____
City, State, Zip: Tatum, NM 88267

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the attached list of wells is true and complete to the best of my knowledge and belief.

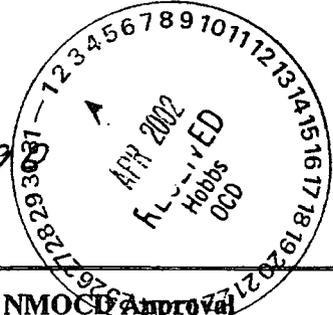
New Operator

Signature: Danny R. Watson

Printed name: DANNY R. WATSON

Title: Pres.

Date: 4/1/02 Phone: (505) 398-3499



Previous operator complete below:

Previous Operator: Chesapeake Operating, Inc.

Previous OGRID: 147179

Signature: Douglas J. Jacobson
Printed Name: Douglas J. Jacobson

NMOCD Approval
Signature: Paul F. Krautz
Printed Name: PAUL F. KRAUTZ
District: PETROLEUM ENGINEER
Date: APR 15 2002

Sr. Vice Pres. - Acq. & Divest.